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IN THE

Supreme Court of the United States

MEDIOSTREAM, INC.,
Petitioner,

v.

ACER AMERICA CORPORATION, *et al.*,
Respondents.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Federal Circuit

PETITION FOR A WRIT OF CERTIORARI

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QUESTION PRESENTED

Did the Federal Circuit err in reweighing a district court's discretionary § 1404(a) analysis in the manner of the 6th, 7th, 10th and 11th Circuits, or is the proper approach under the All Writs Act, 28 U.S.C. § 1651, that of the 1st and 3rd Circuits which decline review of discretionary venue decisions?

PARTIES TO THE PROCEEDING

Acer America Corp., Apple, Inc., Asus Computer International, Cyberlink.Com Corp., Dell, Inc., Gateway, Inc., Microsoft Corp., MedioStream, Inc., Nero AG, Nero, Inc., Sonic Solutions, Sony Corporation, Sony Electronics Inc.

CORPORATE DISCLOSURE STATEMENT

MedioStream, Inc. ("MedioStream") is a privately held company. It has no parent and no publically-held company owns 10% or more of the company's stock.

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PETITION FOR A WRIT OF CERTIORARI

OPINIONS BELOW

The decision of the court of appeals (App., *infra*, 1a to 9a, with errata at 10a-12a) is reported at 626 F.3d 1252. The orders of the district court (App., *infra*, 13a-18a; 19a, 20a-30a; and 31a-32a) are unreported, but two of them are available at *Mediostream v. Acer America Corp.*, 2008 WL 44327 (E.D. Tex 2008), and *Mediostream v. Microsoft Corp.*, 2009 WL 3161380 (E.D. Tex. 2009).

JURISDICTION

The judgment of the court of appeals was entered on December 3, 2010. The jurisdiction of this Court is invoked under 28 U.S.C. § 1254(1).

STATUTORY PROVISIONS INVOLVED

The relevant portion of Section 1404 Title 28, United States Code provides:

> (a) For the convenience of parties and witnesses, in the interest of justice a district court may transfer any civil action to any other district or division where it might have been brought.

28 U.S.C. § 1404(a)

The relevant portion of Section 1651, Title 28 United States Code, provides:

> (a) The Supreme Court and all courts established by Act of congress may issue all writs necessary or appropriate in aid of the respective jurisdictions and agreeable to the usages and principles of law.

28 U.S.C. § 1651(a)

STATEMENT OF THE CASE

This case was a month from trial when, on December 3, 2010, the court below issued a writ of mandamus ordering transfer of venue on § 1404(a) convenience and interest-of-justice grounds. The petition for mandamus had been pending at the Federal Circuit since May 21, 2010.

This is a patent infringement case brought by MedioStream on August 29, 2007 against defendants Acer America Corporation, Apple Computer, Inc., Dell, Inc. and Gateway, Inc. (the "Acer, *et al.* case"). By the end of the year MedioStream had added defendants ASUS, Computer International, Inc., Sony Electronics Inc., CyberLink Inc., Nero Inc., and Sonic Solutions. MedioStream filed a separate case against Microsoft on September 30, 2008 ("the Microsoft case"). The Microsoft case and Acer, *et al.* case were

consolidated on February 26, 2009. A trial was set for January 4, 2011.

The technology at issue is video transcoding and authoring for optical disc playback formats. The patents include apparatus and method claims, and the accused products are computer systems. Software is part, but not all of the accused system. The software products of Defendant Microsoft enter the stream of commerce installed on computers, with the computers of defendant Dell being the predominant accused products. Likewise, the software products of defendants Nero, Sonic and Cyberlink, enter the marketplace installed on new computers. The software of Sonic, for example, is installed on Dell computers when sold. Dell is not a passive conduit, but works with the software companies in developing and marketing programs installed on its computers. In large part, Dell is motivated by a desire to match or exceed the offerings of defendant Apple. For its part, Apple has company owned retail outlets in the district of suit as well as a research facility in Austin.

On January 25, 2008, Petitioners Acer, Apple, ASUS, Gateway, and CyberLink filed the first motion to transfer venue to the Northern District of California ("first transfer motion"). The district court issued an order denying the first transfer motion on September 26, 2008 ("first order"). On March 27, 2008, Sonic filed a separate motion to abate the case pending arbitration or in the alternative, to transfer the case ("second transfer motion"). On December 5, 2008, Microsoft filed a motion to transfer venue to the Northern District of California in the Microsoft case ("third transfer motion"). On the same day, eight of fourteen Defendants in the Acer, et al. case filed a motion for reconsideration of the district

court's September 26, 2008 ruling ("first reconsideration motion").

Sonic filed an unopposed motion to withdraw the second transfer motion on March 3, 2009. The district court granted Sonic's motion on March 4, 2009 ("second order"). On September 30, 2009, the district court issued one order denying both the third transfer motion and the first reconsideration motion ("third order"). On December 23, 2009, Petitioners filed a second motion for reconsideration of the courts prior orders denying transfer ("second reconsideration motion"). On May 21, 2010 the defendants filed a petition for mandamus in the Federal Circuit. On June 16, 2010, the district court denied the second motion for reconsideration.("fourth order")

While mandamus was pending in the court of appeals, the district court construed the claims of the patents at issue pursuant to *Markman v. Westview Instruments, Inc.*, 517 U.S. 370 (1996). The district court also resolved a number of other pending motions.[1] On November 4, 2010, in light of the imminent trial, defendants filed an "emergency" motion to stay, asking the court of appeals to stay the case in the district court pending a ruling on mandamus. On November 9, 2010, the court below temporarily stayed the case in the district court pending determination of the motion to stay. The court of appeal issued the writ of mandamus shortly thereafter.

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[1] *See, e.g., MedioStream, Inc. v. Microsoft Corp.*,— F.Supp.2d—, 2010 WL 4274578 (E.D. Tex. 2010); *Mediostream, Inc. v. Microsoft Corp.*, 2010 WL 4239196 (E.D. Tex. 2010); *Mediostream, Inc. v. Microsoft Corp.*, 2010 WL 4118589, (E.D. Tex. 2010); *Mediostream, Inc. v. Microsoft Corp.*, 2010 WL 3430831 (E.D. Tex. 2010); *Mediostream, Inc. v. Microsoft Corp.*, 2010 WL 3283032 (E.D. Tex. 2010).

The decision below initially granted the writ on a finding that all domestic defendants besides Dell are in California. That finding was incorrect and inconsistent with the undisputed record before the court of appeals. The defendants moved for correction of the error. Via errata, the court below altered its factual finding to state that Microsoft's headquarters is in Redmond, Washington.

The opinion below does not assert that the district court used the wrong legal guidelines to perform the § 1404(a) analysis. Instead, the opinion below takes a different view of the weight of the facts before the district court.

REASONS FOR GRANTING THE PETITION

I. The Courts of Appeals are split on the scope of mandamus review of §1404(a) transfer orders.

Section 1404(a) of the Judicial Code grants a district court discretion to transfer a case to a district where it might have been brought "for the convenience of the parties and witnesses and in the interests of justice." 28 U.S.C. § 1404(a). Appellate courts disagree about whether they may grant the extraordinary writ of mandamus on a reweighing of the district court's discretionary § 1404(a) analysis. *See* 15 Charles A. Wright, Arthur R. Miller & Edward H. Cooper, *Federal Practice and Procedure* § 3855, at 324-27, 330-32 (3d ed. 2007). As Wright and Miller observe:

> [T]he decisions of the courts of appeals, as several of them have remarked, are "in hopeless conflict." Indeed the variations among the courts of appeal, and the changes of view within a particular appellate court, are so great that the

> law on this point must be examined on a circuit-by-circuit basis.

Id., at 332.

A. The First and Third Circuits prohibit a factual reweighing of the district court's § 1404(a) judgment.

The First and Third Circuits have concluded that, where a district court has authority to transfer a case and where the district court has considered the appropriate factors in weighing whether to transfer the case, mandamus will not lie to correct an abuse of discretion in weighing those factors. *See All States Freight v. Modarelli*, 196 F.2d 1010, 1012, (3d Cir. 1952); *In re Josephson*, 218 F.2d 174, 182-83 (1st Cir. 1954) *abrogated on other grounds* by *In re Union Leader Corp.*, 292 F.2d 381, 383 (1st Cir. 1961). The judges of a unanimous First Circuit panel declared: "we associate ourselves fully with the comments of Judge Goodrich in *All States Freight, Inc.* . . . . " *Id.* Those First Circuit judges are not alone. The opinion of Judge Goodrich is credited as "the seminal statement on this issue." 15 Charles A. Wright, Arthur R. Miller & Edward H. Cooper, *Federal Practice and Procedure* § 3855, at 324-27, 330-32 (3d ed. 2007). Judge Goodrich observed:

> Now the effort is being made both in this court and elsewhere to substitute for appeal a review by mandamus whenever the losing party on a motion to transfer wants an advance review of the ruling on this point.
>
> We think that this practice will defeat the object of the statute. Instead of making the business of the courts easier, quicker and less expensive, we now have the merits of the litigation postponed

> while appellate courts review the question where a case may be tried.
>
> Every litigant against whom the transfer issue is decided naturally thinks the judge was wrong. It is likely that in some cases an appellate court would think so, too. But the risk of a party being injured either by the granting or refusal of a transfer order is, we think, much less than the certainty of harm through delay and additional expense if these orders are to be subjected to interlocutory review by mandamus.
>
> We do not propose to grant such review where the judge in the district court has considered the interests stipulated in the statute and decided thereon.
>
> * * *
>
> [W]e cannot escape the conclusion that it will be highly unfortunate if the result of an attempted procedural improvement is to subject parties to two lawsuits: first, prolonged litigation to determine the place where a case is to tried; and, second, the merits of the alleged cause of action itself.

All States Freight, 196 F.2d, at 1011-12.

The view of Judge Goodrich has withstood the test of time in the Third Circuit. *See In re Federal-Mogul Global*, 300 F.3d 368, 378-79 (3d Cir. 2002) ("Generally a writ will only issue if the district court did not have the power to enter the order . . ."); *Carteret Savings bank v. Shushan*, 919 F.2d 225, 232 (3d Cir. 1990) ("We are well aware, of course, that the mere fact that the district court has made an error is not in itself the basis for the issuance of a writ of manda-

mus. In general, we may issue the writ only if a district court did not have the authority to make an order."); *Solomon v. Cont'l Am. Life Ins. Co.*, 472 F.2d 1043, 1045 (3d Cir. 1972).

The view of Judge Goodrich has also served as the *modus operandi* of the First circuit, but a panel of that court has reserved the right to depart from that approach when necessary. *See Codex Corp. v. Milgo Electronic Corp.*, 553 F.2d 735, 737 (1st Cir.) *cert. denied*, 434 U.S. 860, 98 S.Ct. 185, 54 L.Ed.2d 133 (1977) (granting writ on grounds that suits against customers in a patent dispute are not sufficient to stay the manufacturer's declaratory judgment suit.)

In the absence of direct guidance from this Court on mandamus review of § 1404(a) decisions, the courts of appeal have looked to this Court's mandamus decisions generally. The First Circuit, in adopting the approach of Judge Goodrich, conducted a thorough review of mandamus law, finding support for his approach in *Roche v. Evaporated Milk Ass'n. See In re Josephson*, 218 F.2d at 180 citing *Roche v. Evaporated Milk Ass'n*, 319 U.S. 21, 29-31, 63 S.Ct 938, 87 L.Ed. 1185 (1943). Petitioner believes this approach was vindicated by *Allied Chem. Corp. v. Daiflon, Inc.*, 449 U.S. 33, 35, 101 S.Ct. 188, 190, 66 L.Ed.2d 193 (1980) ("Where a matter is committed to [the trial court's] discretion, it cannot be said that a litigant's right to a particular result is 'clear and indisputable.'") (citation omitted).

B. Some Circuits have rules that, in practical effect, should prohibit reweighing of the district court's § 1404(a) judgment.

The Fourth Circuit adheres to something akin to the Judge Goodrich approach. *See Ralston Purina Co.*, 726 F.2d 1002, 1004 (4th Cir.1984). The Fourth Circuit holds that the test is not abuse of discretion, but is rather whether the right to the writ is "clear and indisputable." *Id.*, at 1005, *citing Allied Chemical Corp. v. Daiflon, Inc.*, 449 U.S. 33, 35, 101 S.Ct. 188, 190, 66 L.Ed.2d 193 (1980). The right is not "clear and indisputable" unless the district court's decision amounts to a "judicial usurpation of power." *Id.* Nonetheless, the Fourth Circuit has previously asserted, and has never overruled, the appellate court's prerogative to grant the writ on its own weighing of judicial economy. *See, General Tire & Rubber Co. v. Watkins*, 373 F.2d 361, 368 (4th Cir.), *cert. denied*, 386 U.S. 960 (1967).

In practical application, the Eigth Circuit should be very close to the approach of Judge Goodrich: mandamus review is available, but only when the record is "without any basis for [the district court's] judgment of discretion." *McGraw-Edison Co. v. Van Pelt*, 350 F.2d 361, 363 (8th Cir.1965) (*en banc*). However, a divided panel of the Eighth Circuit recently declared that the *McGraw-Edison* test does not narrow the scope of "clear abuse of discretion" review. *In re Apple, Inc.*, 602 F.3d 909, 911 (8th Cir.) *cert. denied*, 131 S.Ct. 838, 79 USLW 3355, 79 USLW 3360 (2010).

C. Some circuits use an abuse of discretion standard, but caution against invading the trial court's § 1404(a) discretion.

The Second Circuit uses an abuse of discretion test. *A. Olinick & Sons v. Dempster Bros., Inc.*, 365 F.2d 439 (2nd Cir.1966). Judge Goodrich found an ally in the Second Circuit, but only in concurrence. *Id.*, at 446-47 (Friendly, J, concurring). The *A. Olinick & Sons*—majority reserved the ability to grant mandamus in the event of a "clear cut abuse of discretion." *Id.*, at 445 The majority also expressed a "strong sense of appellate reluctance to interfere with the District Court's exercise of its discretion." *Id.*, at 444. This was not enough for Judge Friendly: "[W]e should go the whole way and end this sorry business of invoking a prerogative writ to permit appeals, which Congress withheld from us, from discretionary orders fixing the place of trial." *Id.*, at 445-6. Judge Friendly asserted that the Second Circuit should "align itself with the views forcibly expressed by Judge Goodrich . . . ." *Id*, at 447 (citation omitted). That never happened. The Second Circuit still uses an abuse of discretion test. *See D.H. Blair & Co., Inc. v. Gottdiener*, 462 F.3d 95, 105 (2nd Cir. 2006).

The Fifth Circuit is similar to the Second. *In re Volkswagen of Am., Inc.*, 545 F.3d 304 (5th Cir. 2008) (en banc), *cert. denied*, —U.S.—, 129 S.Ct. 1336, 173 L.Ed.2d 587 (2009). The majority of an *en banc* court held that it could review transfer decisions for "clear abuses of discretion that produce patently erroneous results," while at the same time stressing that "in no case will we replace a district court's exercise of discretion with our own." *Id.*, at 312. The majority asserts that it follows the *Cheney* standard

of review. *Id.*, at 311 ("If the district court clearly abused its discretion (the standard enunciated by the Supreme Court in *Cheney*) . . . then Volkswagen's right to issuance of the writ is necessarily clear and indisputable."); *But cf Cheney v. United States*, 542 U.S. 367, 380 124 S.Ct 2576, 2587, 159 L.Ed.2d 459 (2004) ("The traditional use of the writ in aid of appellate jurisdiction both at common law and in the federal courts has been to confine [the court against which mandamus is sought] to a lawful exercise of its prescribed jurisdiction." *quoting Roche v. Evaporated Milk Assn.*, 319 U.S. 21, 26 (1943) (internal quotation marks omitted)). A seven judge dissent, though, asserted that the majority was indeed substituting its judgment for that of the district court. *Id.*, at 321. The dissent asserts that the majority "fundamentally misconstrues" *Cheney*. *Id.*, at 320. Echoing Judge Friendly, the dissenters called for an end to this sorry business. *Id.*, at 327 (*quoting A. Olinick & Sons*, 365 F.2d at 447).

Panels of the Ninth Circuit are split along the *A. Olinick & Sons* fault lines. One panel declared the abuse of discretion test "nebulous" and disclaimed any attempt to substitute its own discretion for that of the district court. *Kasey v. Molybdenum Corp. of America*, 408 F.2d 16, 20 (9th Cir.1969). That would be the Goodrich view, but for the fact that the panel left itself some wiggle room, holding that it would not grant the writ so long as the district court's decision is "well reasoned" and its guess not "too wild." *Id.* A subsequent panel took the Goodrich approach, bluntly eschewing substitution of discretion without caveat. *Northern Acceptance Trust 1065 v. Gray*, 423 F.2d 653 (9th Cir.), *cert. denied*, 398 U.S. 939, 90 S.Ct. 1844, 26 L.Ed.2d 272 (1970).

D. Other circuits apply an abuse of discretion standard, reweighing the district court's § 1404(a) judgment.

The Sixth Circuit applies a clear abuse of discretion standard. *Lemon v. Druffel*, 253 F.2d 680, 685 (6th Cir.1958), *cert. denied*, 358 U.S. 821, 79 S.Ct. 34, 3 L.Ed.2d 62 (1958). The Seventh Circuit applies an abuse of discretion standard. *Chicago, R.I. & P.R.R. v. Igoe*, 220 F.2d 299 (7th Cir.) (*en banc*), *cert. denied*, 350 U.S. 822, 76 S.Ct. 49, 100 L.Ed. 735 (1955).[2] A Seventh Circuit panel has since used the term "patently erroneous" for the standard, but did so citing the prior en banc determination. *See, In re Nat'l Presto Indus., Inc.*, 347 F.3d 662, 663-4 (7th Cir.2003) *citing Chicago, R.I. & P.R.R. v. Igoe*, 220 F.2d at 305.[3] The Tenth Circuit, applies an abuse of discretion standard. *Hustler Magazine, Inc.*, 790 F.2d at 69, 70 (10th Cir.1986) But, seeing the split in the circuits, the Tenth Circuit has yet to clearly enunciate its test. *Id.* ("Cognizant that a thorny thicket abounds in this area, we are reluctant to compound the tangle.") The Eleventh Circuit follows a "clear abuse of discretion" standard, but like the

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[2] *See, Coffey v. Van Dorn Iron Works*, 796 F.2d 217, 220 (7th Cir.1986); *General Foods Corp. v. Carnation Co.*, 411 F.2d 528, 532-33 (7th Cir.), *cert. denied*, 396 U.S. 940, 90 S.Ct. 375, 24 L.Ed.2d 242 (1969).

[3] The underlying Supreme Court authorities relied on by the Seventh Circuit appear to be *Gulfstream Aerospace Corp.*, and *Allied Chem. Corp. See National Presto Indus., Inc.*, 347 F.3d at 663 *citing In re Rhone-Poulenc Rorer Inc.*, 51 F. 3d 1293, 1295 (7th Cir.) *cert. denied* 516 U.S. 867, 116 S.Ct. 184, 133 L.Ed.2d 122 (1995) *citing in turn Gulfstream Aerospace Corp. v. Mayacamas Corp.*, 485 U.S. 271, 289, 108 S.Ct. 1133, 1143-44, 99 L.Ed.2d 296 (1988); *Allied Chem. Corp.*, 449 U.S. at 35, 101 S.Ct. at 190.

Tenth, has not elaborated on the standard. *In re Ricoh Corp.*, 870 F.2d 570, 573 n. 5 (11th Cir. 1989). The Federal Circuit, while purporting to follow Fifth Circuit law, has applied a naked abuse of discretion test. *In re Acer*, App, at 6a (declaring Dell witnesses "insignificant").

E. The appellate courts themselves have repeatedly acknowledged this intractable split.

"[C]onflicts among the circuits and within individual circuits have proliferated on the question of whether the writ may be used to review the district court's § 1404(a) transfer decision." *In re Volkswagen of Am., Inc.*, 545 F.3d at 327 (King, J. dissenting). The Eleventh Circuit has observed: "There is substantial disagreement among the circuits, and some apparent confusion within the respective circuits, concerning the appropriate role of mandamus as a remedy for abuses of discretion by district courts in deciding motions under §1404(a)." *Roofing and Sheet Metal Servs., Inc. v. La Quinta Motor Inns, Inc.*, 689 F.2d 982, 987 (11th Cir. 1982); *see also National-Standard Co. v. Adamkus*, 881 F.2d 352, 356 n. 3 (7th Cir. 1989); *Hustler Magazine, Inc.*, 790 F.2d at 70 ("thorny thicket"); *In re Cragar Indus., Inc.*, 706 F.2d 503, 504 (5th Cir. 1983) (mandamus reviewability "expressed in uneven terms throughout the country and within this circuit"); *Wilkins v. Erickson* 484 F.2d 969, 971 (8th Cir. 1973) (extent of mandamus review "varies widely among the federal appellate courts"); *Kasey v. Molybdenum Corp. of Am.*, 408 F.2d 16, 18 (9th Cir. 1969) ("circuits are drastically divided on the question"); *Clayton v. Warlick*, 232 F.2d 699, 703 (4th Cir. 1956) ("hopeless conflict")

II. For sixty years litigants have repeatedly petitioned this Court for a ruling on the scope of mandamus review of discretionary §1404(a) transfer orders.

The question has been noted in the decisions of this Court since 1949. *Ex parte Collett*, 337 U.S. 55, 72, 69 S.Ct. 944, 953, 93 L.Ed. 1207 (1949); *Norwood v. Kirkpatrick*, 349 U.S. 29, 33 (1955); *Van Dusen v. Barrack*, 376 U.S. 612, 615 n. 3 (1964). Since *Ex Parte Collett*, there has been a long trail of denied petitions for certiorari. There are many cases where venue was the sole issue on appeal.[4] In other cases, certiorari may have been sought on venue, but there

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[4] *Fannin v. Jones*, 229 F.2d 368 (6th Cir.), *cert. denied*, 351 U.S. 938, 76 S.Ct. 834, 100 L.Ed. 1465 (1956); *Lemon v. Druffel*, 253 F.2d 680, 685 (6th Cir.1958), *cert. denied*, 358 U.S. 821, 79 S.Ct. 34, 3 L.Ed.2d 62 (1958); Fifth Circuit. *Ex Parte Blaski*, 245 F.2d 737 (5th Cir.), *cert. denied*, 355 U.S. 872, 78 S.Ct. 122, 2 L.Ed.2d 76 (1957); *Great Northern R'y v. Hyde*, 238 F.2d 852, 857 (8th Cir. 1956), *adhered to*, 254 F.2d 537 (8th Cir.1957), *cert. denied*, 355 U.S. 872, 78 S.Ct. 117, 2 L.Ed.2d 77 (1957); *Technitrol, Inc. v. McManus*, 405 F.2d 84 (8th Cir. 1968), *cert. denied*, 394 U.S. 997, 89 S.Ct. 1591, 22 L.Ed.2d 775 (1969); *Toro Co. v. Alsop*, 565 F.2d 998, 1000 (8th Cir.1977) *cert. denied*, 435 U.S. 952 (1978); *General Tire & Rubber Co. v. Watkins*, 373 F.2d 361, 368 (4th Cir.), *cert. denied*, 386 U.S. 960 (1967); *Jones v. Gasch*, 404 F.2d 1231, 1242 (D.C. Cir. 1967), *cert. denied*, 390 U.S. 1029, 88 S.Ct. 1414, 20 L.Ed.2d 286 (1968); *Northern Acceptance Trust 1065 v. Gray*, 423 F.2d 653 (9th Cir.), *cert. denied*, 398 U.S. 939, 90 S.Ct. 1844, 26 L.Ed.2d 272 (1970); *Shutte v. Armco Steel Corp.*, 431 F.2d 22, 23 (3rd Cir.1970), *cert. denied*, 401 U.S. 910, 91 S.Ct. 871, 27 L.Ed.2d 808 (1971); *Codex Corp. v. Milgo Electronic Corp.*, 553 F.2d 735, 737 (1st Cir.) *cert. denied*, 434 U.S. 860, 98 S.Ct. 185, 54 L.Ed.2d 133 (1977); *In re Apple, Inc.*, 602 F.3d 909, 911 (8th Cir.) *cert. denied*, 131 S.Ct. 838, 79 USLW 3355, 79 USLW 3360 (2010).

were other issues in the case.[5] Most notable are the cases with concurrences or dissents that bring the conflict over mandamus review of venue decisions into sharp relief:

This Court denied certiorari in one such case from the Second Circuit. *Ford Motor Co. v. Ryan*, 182 F.2d 329 (2nd Cir.), *cert. denied*, 340 U.S. 851, 71 S.Ct. 79, 95 L.Ed. 624 (1950). Judge Frank held that the standard of review was "abuse of discretion," Judge Learned Hand, concurring, expressed the test as whether the order was "clearly erroneous," and Judge Swan, concurring separately, asserted that an appellate court is wholly without power to "'correct a mere error [of the district court] in the exercise of conceded judicial power.'" *Id.* (with Judge Swan's concurrence quoting *DeBeers Consol. Mines v. United States*, 325 U.S. 212, 217, 65 S.Ct. 1130, 1133, 89 L.Ed. 1566 (1945).

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[5] *See Factors Etc., Inc. v. Pro Arts, Inc.*, 579 F.2d 215, 218 (2d Cir.1978), *cert. denied*, 440 U.S. 908, 99 S.Ct. 1215, 59 L.Ed.2d 455 (1979). In an injunction suit regarding Elvis Presley memorabilia, the initial question was whether the suit should have been transferred via § 1404(a) to an Ohio district where another Elvis memorabilia suit was pending. The Second Circuit held that "In deciding between competing jurisdictions, the balancing of convenience should be left to the sound discretion of the district court." *Id.*, at 219 (citations omitted); *United States v. McManus*, 535 F.2d 460 (8th Cir 1976) *cert. denied*, 429 U.S. 1052, 97 S.Ct. 766, 50 L.Ed.2d 769 (1977); *SEC v. Savoy Industries, Inc.*, 587 F.2d 1149, 1153 (D.C.Cir.1978), *cert. denied*, 440 U.S. 913, 99 S.Ct. 1227, 59 L.Ed.2d 462 (1979); *Dalton v. United States* (*In re Dalton*), 733 F.2d 710, 717 (10th Cir.1984), *cert. dismissed*, 469 U.S. 1185, 105 S.Ct. 947, 83 L.Ed.2d 959 (1985); *Peteet v. Dow Chemical Co.*, 868 F.2d 1428, 1436 (5th Cir.1989), *cert. denied sub nom*, *Dow Chemical Co. v. Greenhill*, 493 U.S. 935, 110 S.Ct. 328, 107 L.Ed.2d 318 (1989).

This Court denied certiorari from the Third Circuit. *Paramount Pictures v. Rodney*, 186 F.2d 111 (3rd Cir. 1950), cert. denied, 340 U.S. 953, 71 S.Ct. 572, 95 L.Ed. 687 (1951). The majority held that the district court erred in holding that it had no power to transfer Delaware cases to Texas. Contrary to the district court's decision, however, the case could have been brought in Texas under antitrust venue law. *Id*, at 113. The majority remanded so the district court could conduct the § 1404(a) analysis anew in light of this power. *Id.*, at 116. The dissent argued that the case should not be remanded for reconsideration. The district court had already examined the convenience facts and had also ruled against transfer to Texas on those grounds. The dissenters urged: "We are acting on a petition for writ of mandamus. Once it has been concluded that the district court was correct in its construction of Section 1404(a), we have gone as far as is appropriate in acting upon the present petition." *Id.*, at 119.

This Court denied certiorari to review the Seventh Circuit's abuse of discretion test. *Chicago, R.I. & P.R.R. v. Igoe*, 220 F.2d 299 (7th Cir.) (en banc), *cert. denied*, 350 U.S. 822, 76 S.Ct. 49, 100 L.Ed. 735 (1955). There the majority granted the writ on a finding that "[t]he balance of convenience of the parties is so overwhelmingly in favor of the defendant that we hold the denial by respondent of the motion to transfer this case to the Southern District of Iowa was so clearly erroneous that it amounted to an abuse of discretion." *Id.*, at 305. The dissent cried out: "If we are substituting our discretion for that of respondent we ought to say so and be done with it. We have no business, as I view it, balancing conveniences of the parties, and speculating upon their motivations." *Id.*, at 306.

This Court denied certiorari to review the Fifth Circuit's abuse of discretion test. *In re Horseshoe Entm't*, 337 F.3d 429, 432 (5th Cir.) *cert. denied*, 540 U.S. 1049, 124 S.Ct. 826, 157 L.Ed.2d 698 (2003). The dissent asserted that: "While purporting to review the district court's decision for a clear abuse of discretion, the majority in fact conducts a *de novo* review." *Id.*, at 435.

The same division was present in full force when the Fifth Circuit revisited the issue *en banc*. The majority disclaimed any ability to substitute its discretion for the discretion of the district court. *In re Volkswagen of Am., Inc.*, 545 F.3d at 312. The seven dissenters asserted that the majority's standard of review was nothing less than a substitution of discretion. *Id.*, at 321, 27. As before this Court denied certiorari. *Singleton v. Volkwagen of Am. Inc.*, — U.S. —, 129 S.Ct 1336, 173 L.Ed.2d 587 (2009).

III. Now, due to the unique role of the Federal Circuit, improper reweighing of discretionary rulings is distorting patent venue.

The circuit split set out above is having a rapid and dramatic effect on patent venue. The Federal Circuit has exclusive jurisdiction over patent appeals. 28 U.S.C. §§ 1295(a), 1338. That said, the Federal Circuit applies the law of the geographic circuits on matters not unique to patent law. *In re TS Tech USA Corp.*, 551 F.3d 1315, 1319 (Fed.Cir.2008). Venue determinations under § 1404(a) are not unique to patent law. *Id.* In other words, the circuit split regarding the scope of mandamus review of § 1404(a) decisions has been imported into the Federal Circuit.

It has been little more than two years since this Court denied certiorari under the name of *Singleton v. Volkswagen of America, Inc.*, —U.S.—, 129 S.Ct. 1336, 173 L.Ed.2d 587 (2009). In the space of little more than two years, thirty seven § 1404(a) mandamus petitions have been presented to the Federal Circuit.[6] Decisions have issued in twenty-

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[6] *In re TS Tech USA Corp.*, 551 F.3d 1315 (Fed. Cir. 2008) (rehearing and rehearing en banc denied, 2009) (2009-M888); *In re Volkswagen of America, Inc.*, 566 F.3d 1349 (Fed. Cir. 2009) (2009-M897); *In re Telular Corporation*, 319 Fed.Appx. 909 (Fed. Cir. 2009) (2009-M899); *In re Genentech, Inc.*, 566 F.3d 1338 (Fed. Cir. 2009) (rehearing and rehearing en banc denied) (2009-M901); *In re Yahoo!, Inc.*, 2009-M906 (Fed. Cir Sept. 1, 2009); *In re VTech Comm, Inc.*, 2010 WL 46332 (Fed. Cir. 2009) (2009-M909); *In re Hoffmann-La Roche Inc.*, 587 F.3d 1333 (Fed. Cir. 2009) (2009-M911); *In re Affymetrix*, 2010 WL 1525010 (Fed. Cir. 2010) (2010-M913); *In re Nintendo Co., Ltd.*, 589 F.3d 1194 (Fed. Cir. 2009) (2010-M914); *In re Pfizer, Inc.*, 364 Fed. Appx. 620, 2010 WL 375112 (Fed. Cir. 2010) (2010-M915); *In re Wi-Lan, Inc.*, 358 Fed. Appx. 158, 2009 WL 4906521 (Fed. Cir. 2009) (M2009-M916); *In re Bayer Healthcare, LLC*, 2010-M918 (Fed. Cir. Feb. 24, 2010); *In re Juniper Networks*, 2010-M919 (Fed. Cir. Jan 7, 2010); *In re Apple Inc.*, 374 Fed.Appx. 997 (Fed. Cir. 2010) (2010-M932); *In re Echostar Corp.*, 388 Fed.Appx. 994 (Fed. Cir. 2010) (2010-M933); *In re Oracle Corp.* 2010-M935 (Fed. Cir. May 19, 2010); *In re Zimmer Holdings, Inc.*, 609 F.3d 1378 (Fed. Cir. 2010) (rehearing en banc denied) (2010-M938); *In re Smith & Nephew*, 2010-M940 (Fed. Cir Oct. 25, 2010); *In re Acer America Corp.*, 626 F.3d 1252 (Fed. Cir. 2010) (2010-M942); *In re Microsoft Corp.*, 630 F.3d 1361 (Fed. Cir. 2010) (2010-M944); *In re Skype Technologies* 2010-M945 (Fed. Cir. Aug. 24, 2010); *In re Google* 2010-M946 (Fed. Cir Aug. 5, 2010); *In re Kyocera* 2010-M950 (Fed. Cir. Nov. 15, 2010); *In re Oracle Corp.*, 2010 WL 4286372 (Fed. Cir. 2010) (2010-M951); *In re Vistaprint Ltd.*, 628 F.3d 1342 (Fed. Cir. 2010) (2010-M954); *In re Verizon Business Network* 2010-M956 (Fed. Cir. Aug. 26, 2010); *In re Wyeth*, 2010 WL 5376518 (Fed. Cir. 2010) (2010-M959); *In re Morgan Stanley* 2011-M962 (Fed. Cir. Dec. 6, 2010); *In re Comcast Corp* 2011-M963 (Fed. Cir Jan. 28, 2011); *In re Bats Trading, Inc.* 2011-M964

one of these cases.[7] In eight, the writ has issued.[8] Every one of those eight has arisen from the geographic jurisdiction of the Fifth Circuit.

(Fed. Cir. Nov. 18, 2010), (later consolidated into M962); *In re Thomson Reuters Corp* 2011-M967 (Fed. Cir Nov. 4, 2010), (later consolidated into M962); *In re Google* 2011-M968 (Fed. Cir. Jan. 4, 2011); *In re Sierra Wireless* 2011-M969 (Fed. Cir. Nov. 18, 2010); *In re Simpson Strong-Tie Company, Inc.* 2011-M970 (Fed. Cir. Nov. 18, 2010); *In re Aliphcom* 2011-M971 (Fed. Cir. Feb. 9, 2011); *In re Board of Regents of UT System* 2011-M974 (Fed. Cir. Feb. 2, 2011).

[7] *In re TS Tech USA Corp.*, 551 F.3d 1315 (Fed. Cir. 2008) (2009-M888); *In re Volkswagen of America, Inc.*, 566 F.3d 1349 (Fed. Cir. 2009) (2009-M897); *In re Telular Corporation*, 319 Fed. Appx. 909 (Fed.Cir. 2009) (2009-M899); *In re Genentech, Inc.*, 566 F.3d 1338 (Fed. Cir. 2009) (2009-M901); *In re Yahoo!, Inc.*, (2009-M906); *In re VTech Comm, Inc.*, 2010 WL 46332 (Fed. Cir. 2009) (2009-M909); *In re Hoffmann-La Roche Inc.*, 587 F.3d 1333 (Fed. Cir. 2009) (2009-M911); *In re Affymetrix*, 2010 WL 1525010 (Fed. Cir. 2010) (2010-M913); *In re Nintendo Co., Ltd.*, 589 F.3d 1194 (Fed. Cir. 2009) (2010-M914); *In re Pfizer, Inc.*, 364 Fed.Appx. 620, 2010 WL 375112 (Fed. Cir. 2010) (2010-M915); *In re Wi-Lan, Inc.*, 358 Fed.Appx. 158, 2009 WL 4906521 (Fed. Cir. 2009) (M2009-M916); *In re Apple Inc.*, 374 Fed.Appx. 997 (Fed. Cir. 2010) (2010-M932); *In re Echostar Corp.*, 388 Fed.Appx. 994 (Fed. Cir. 2010) (2010-M933); *In re Zimmer Holdings, Inc.*, 609 F.3d 1378 (Fed. Cir. 2010) (2010-M938); *In re Acer America Corp.*, 626 F.3d 1252 (Fed. Cir. 2010) (2010-M942); *In re Microsoft Corp.*, 630 F.3d 1361 (Fed. Cir. 2010) (2010-M944); *In re Kyocera* 2010-M950 (Fed. Cir. Nov. 15, 2010); *In re Oracle Corp.*, 2010 WL 4286372 (Fed. Cir. 2010) (2010-M951); *In re Vistaprint Ltd.*, 628 F.3d 1342 (Fed. Cir. 2010) (2010-M954); *In re Wyeth*, 2010 WL 5376518 (Fed. Cir. 2010) (2010-M959).

[8] *In re TS Tech USA Corp.*, 551 F.3d 1315 (Fed. Cir. 2008) (2009-M888); *In re Genentech, Inc.*, 566 F.3d 1338 (Fed. Cir. 2009) (2009-M901); *In re Hoffmann-La Roche Inc.*, 587 F.3d 1333 (Fed. Cir. 2009) (2009-M911); *In re Nintendo Co., Ltd.*, 589 F.3d 1194 (Fed. Cir. 2009) (2010-M914); *In re Zimmer Holdings, Inc.*, 609 F.3d 1378 (Fed. Cir. 2010) (2010-M938); *In re Acer America*

A. The explosion of § 1404(a) mandamuses at the Federal Circuit effectively reverses an Act of Congress intended to expand the patent plaintiff's range of choices, not restrict it to the home forum of defendants.

Current events must be put in a broader context of patent venue. In 1988, Congress amended the Judiciary Act to expand corporate venue. 28 U.S.C. § 1391(c), Pub.L. No. 100-702, tit. X, § 1013(a), 102 Stat. 4642, 4669 (1988) ("Judicial Improvements and Access to Justice Act.") The Federal Circuit has explained in considerable detail the ramifications of this amendment on patent venue. *VE Holding Corp. v. Johnson Gas Appliance Co.*, 917 F.2d 1574 (Fed. Cir. 1990), *cert. denied*, 499 U.S. 922 (1991). Prior to the amendment, patent venue, by dint of a patent-only venue statute, had been restricted to the defendant's state of incorporation, or a place where there was infringement and the defendant had "regular and established place of business." 28 U.S.C. § 1400(b); *VE Holding Corp.*, 917 F.2d at 1577-78. Over time, patent venue came to be recognized as a frozen anomaly amidst the general trend of expanding venue choices. *Id.*, at 1582-83. In 1988, Congress finally unfroze patent venue by making the amended definition of corporate residence applicable "[f]or purposes of venue under this chapter . . ." to the specific patent provision in "this chapter." *Id.* Patent venue was now co-extensive with personal jurisdiction. *Id.*

Corp., 626 F.3d 1252 (Fed. Cir. 2010)(2010-M942); *In re Microsoft Corp.*, 630 F.3d 1361 (Fed. Cir. 2010)(2010-M944); *In re Oracle Corp.*, 2010 WL 4286372 (Fed. Cir. 2010)(2010-M951).

B. The Federal Circuit has not, and other circuits cannot, analyze how the unique history of patent venue impacts the trial court's range § 1404(a) discretion.

Since the Federal Circuit has sole and exclusive patent jurisdiction, there is no opportunity for the regional circuits to analyze how the unique history of patent venue would impact a district court's § 1404(a) analysis and the permissible range of discretion that would withstand mandamus review. The Federal Circuit itself has not conducted this analysis. For example, the *In re Volkswagen* majority emphasized that they were granting the writ because "none of the facts giving rise to this suit" occurred in the forum of suit. *In re Volkswagen*, 545, F.3d at 316. The Federal Circuit has repeatedly granted the writ in reliance on *In re Volkswagen*.[9] Yet, in patent law, infringing sales give rise to the suit. *Trintec Indus., Inc. v. Pedre Prom. Prod., Inc.*, 395 F.3d. 1275, 1280 (Fed. Cir. 2005).

CONCLUSION

The circuit courts have been in hopeless conflict for sixty years. Litigants have repeatedly petitioned this Court for resolution of the matter. All of the evils seen long ago by Judges Goodrich and Friendly can be seen in this case. Instead of having a jury verdict yea or nay, MedioStream is before this Court as Petitioner. If the transfer writ of the court of appeals is given effect, MedioStream's eventual trial will be

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[9] *See, e.g., In re TS Tech*, 551 F.3d at 319; *In re Genentech*, 566 F.3d at 1341; *In re Hoffman-La Roche*, 587 F.3d at 1336; *In re Nintendo Co. Ltd.*, 589 F.3d at 1197; *In re Zimmer Holdings, Inc.*, 609 F.3d at 1380; *In re Oracle Corp.*, 2010WL 4286372 at *1; *In re Acer America Corp.*, App. at 3a.

before a district court which did not construe the patents, and does not have the benefit of over three years of close and active supervision of this case. Such is the usual result of mandamus review of discretionary § 1404(a) rulings, although the degree here of delay and wasted judicial resources is severe. Now, though, something is happening that neither Judge Goodrich nor Judge Friendly could have foreseen. A specialty circuit with exclusive jurisdiction over all patent cases has ingested the circuit split. As a result, mandamus is being granted with unprecedented frequency, but only in regard to cases from a single regional circuit. Petitioner's plea is that this will be the case in which the writ of certiorari issues.

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APPENDIX

APPENDIX A

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

Miscellaneous Docket No. 942

IN RE ACER AMERICA CORPORATION, CYBERLINK.COM CORPORATION, GATEWAY, INC., APPLE, INC., ASUS COMPUTER INTERNATIONAL, INC., DELL, INC., MICROSOFT CORPORATION, NERO AG, NERO, INC., SONIC SOLUTIONS, SONY CORPORATION, AND SONY ELECTRONICS, INC.,

Petitioners.

On Petition for Writ of Mandamus to the United States District Court for the Eastern District of Texas in case no. 2:08-Cv-369, Magistrate Judge Charles Everingham IV.

ON PETITION FOR WRIT OF MANDAMUS

Before GAJARSA, SCHALL, and MOORE, *Circuit* Judges.

SCHALL, *Circuit* Judge.

ELAINE Y. CHOW, K&L Gates LLP, of San Francisco, California, for petitioners Acer America Corp., et al. With her on the petition was HOLLY A. HOGAN.

MARK C. SCARSI, Milbank, Tweed, Hadley & McCloy LLP, of Los Angeles, California, for petitioner Apple Inc.

JOSHUA M. MASUR, Turner Boyd, LLP, of Palo Alto, California, for petitioner ASUS Computer International.

SCOTT F, PARTRIDGE Baker Botts, LLP, of Houston, Texas, for petitioner Dell Inc. With him on the petition was ROGER J. FULGHUM.

GEORGE F. PAPPAS, Covington & Burling LLP, of Washington, DC, for petitioner Microsoft Corporation. With him on the petition were RICHARD L. RAINEY, R. JASON FOWLER and RANGANATH SUDARSHAN. Of counsel was ROGER A. FORD.

M. CRAIG TYLER, Wilson Sonsini Goodrich & Rosati, PC, of Austin, Texas, for petitioners Nero, Inc., et al.

RODERICK M. THOMPSON, Farella Braun & Martel LLP, of San Francisco, California, for petitioner Sonic Solutions. With him on the petition was ANDREW LEIBNITZ.

LEWIS V. POPOVSKI, Kenyon & Kenyon LLP, of New York, New York, for petitioners Sony Corporation, et al. With him on the petition were MICHELLE CARNIAUX and ZAED M. BILLAH.

BYRON W. COOPER, Goodwin Procter LLP, of Menlo Park, California, for respondent MedioStream, Inc. With him on the response were GREGORY SCOTT BISHOP, ANDY H. CHAN and REBECCA L. UNRUH.

ORDER

The twelve petitioners, defendants in a patent infringement action, seek a writ of mandamus to direct the United States District Court for the Eastern District of Texas to vacate its orders denying their motion to transfer venue, and to direct transfer

to the United States District Court for the Northern District of California. The plaintiff in the infringement action, MedioStream, Inc., opposes. Petitioners reply.

MedioStream, a company headquartered in the Northern District of California, brought suit in the Eastern District of Texas against twelve hardware and software companies, five of which are also headquartered in the Northern District of California. The petitioners moved to transfer venue to the Northern District of California pursuant to 28 U.S.C. § 1404(a), which authorizes transfer "[f]or the convenience of parties and witnesses, in the interest of justice." The petitioners argued that trial in the Northern District of California would be convenient for several of the parties and witnesses. The district court denied the motion, based largely on the presence of one petitioner, Dell, Inc., which is headquartered in Round Rock, Texas, which is outside the Eastern District and some 300 miles from Marshall, Texas, where the litigation is pending.

Applying Fifth Circuit law in cases arising from district courts in that circuit, this court has held that mandamus may be used to correct a patently erroneous denial of transfer. *See In re Nintendo Co.*, 589 F.3d 1194 (Fed. Cir. 2009); *In re Hoffmann-La Roche Inc.*, 587 F.3d 1333 (Fed. Cir. 2009); *In re Genentech, Inc.*, 566 F.3d 1338 (Fed. Cir. 2009); *In re TS Tech USA Corp.*, 551 F.3d 1315 (Fed. Cir. 2008); *see also In re Volkswagen of Am., Inc.*, 545 F.3d 304 (5th Cir. 2008) (en banc).

In determining whether the transferee venue is clearly more convenient, the Fifth Circuit applies the public and private factors used in *forum non conveniens* analysis. *Volkswagen*, 545 F.3d at 314 n.9. As

we noted in *TS Tech*, the private interest factors include (1) the relative ease of access to sources of proof; (2) the availability of compulsory process to secure the attendance of witnesses; (3) the cost of attendance for willing witnesses; and (4) all other practical problems that make a trial easy, expeditious, and inexpensive. 551 F.3d at 1319. The public interest factors include (1) the administrative difficulties flowing from court congestion; (2) the local interest in having localized interests decided at home; (3) the familiarity of the forum with the law that will govern the case; and (4) the avoidance of unnecessary problems of conflicts of laws or in the application of foreign law. *Id.*

All of the U.S.-based companies in this case except for Dell are headquartered in California, including six com-panies actually located within the Northern District of California. Meanwhile, no party is headquartered in the Eastern District of Texas. Our prior orders in venue transfer cases make clear that the combination of multiple parties being headquartered in or near the transferee venue and no party or witness in the plaintiff's chosen forum is an important consideration. *See Nintendo*, 589 F.3d at 1198 ("[I]n a case featuring most witnesses and evidence closer to the transferee venue with few or no convenience factors favoring the venue chosen by the plaintiff, the trial court should grant a motion to transfer."); *see also Hoffmann*, 587 F.3d at 1336 (emphasizing the stark contrast in relevance, convenience, and fairness between the two venues); *TS Tech*, 551 F.3d at 1320 (same). With that in mind, we

turn to the § 1404(a) factors relevant to the outcome of this petition.[1]

One important factor in a § 1404(a) calculus is the convenience of the witnesses. A substantial number of party witnesses, in addition to the inventor and prosecuting attorneys, reside in or close to the Northern District of California.[2] If all of these witnesses were required to travel to the Eastern District of Texas, the parties would likely incur significant expenses for airfare, meals, and lodging, as well as losses in productivity from time spent away from work. *See Volkswagen*, 545 F.3d at 317. In addition, these witnesses will suffer the "personal costs asso-

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[1] The district court determined without dispute here by the parties that the court congestion, familiarity with governing law, and conflict of law factors do not favor either venue. The parties also do not dispute the district court's proper determination that MedioStream could have originally brought this suit in the Northern District of California.

[2] The inventor, prosecuting patent attorneys, and identified potential employee witnesses of MedioStream all reside within the Northern District of California, with the exception of MedioStream's Chief Technical Officer, who resides in Bedford, Massachusetts. Apple states that all of its potential witnesses are also located in Northern California. ASUS states that many of its potential witnesses would likely reside in Fremont, California, which is in the Northern District of California, and Acer and Gateway state that many of their potential witnesses would likely come from California. Sonic Solutions' Chief Technology Officer, who is also a resident of Northern California, states without contradiction that he is the person in the company who is most familiar with the software development process. Additionally, Nero's executives and at least one of its software developers who authored the source code relevant to these proceedings reside in California. Finally, Sony and Microsoft identified potential witnesses in San Diego, California, and Redmond, Washington, respectively, which are much closer to Northern California than to Eastern Texas.

ciated with being away from work, family, and community." *Id.* These costs would be significantly minimized or avoided by transferring the case to Northern California. MedioStream maintains that the trial court correctly determined that this factor weighed in neither venue's favor because of the potential for more than one Dell employee testifying. The number of Dell witnesses, even if greater than one, will be insignificant, given that the allegation of infringement against Dell is largely based on integrated software of other defendants with headquarters outside of Texas. Thus, the witness convenience factor clearly favors transfer.

The venue's ability to compel testimony through sub-poena power is also an important factor in the § 1404(a) calculus. To the extent, if any, that the subpoena powers of the Eastern District of Texas pursuant to Rule 45(b)(2) of the Federal Rules of Civil Procedure may be invoked with respect to Dell employees, those powers will be of little other use in this case. By comparison, the subpoena powers of the Northern District of California may be expected to be invaluable, in the event process is required to hale relevant witnesses into court. This factor surely tips in favor of transfer.

With regard to the location of likely sources of evidence, it appears that a significant portion of the evidence will be located within the Northern District of California. MedioStream's sources of proof are likely located within the Northern District of California, along with the records of the prosecuting patent attorneys. Acer's allegedly infringing products were "researched, designed, developed and tested within California," and "[a]ll decisions regarding marketing, sales, and pricing of any such allegedly infringing

products would have occurred predominantly in California." Pet'r's App. 49. According to ASUS's disclosures, "[a]ll decisions regarding marketing, sales, and pricing of any such allegedly infringing products would have occurred predominantly in Fremont," which is within the Northern District of California. Pet'r's App. 61. Apple's evidence is likely to be in Northern California, where Apple states its technical research, design, development, and testing work regarding the accused products occurs. Sonic Solutions has primary offices in Northern California which likely house potential sources of proof. Finally, Nero has its primary offices in California and its sources of proof will therefore likely be located much closer to the transferee venue.

In comparison, no party identified any likely source of proof in the Eastern District of Texas. Yet, the district court concluded that this point was not enough to weigh this factor in favor of transfer. While Dell may be a significant source of evidence, Dell's headquarters lies outside the Eastern District of Texas. In any event, it is unreasonable to suggest that Dell's evidence alone could outweigh the convenience of having the evidence from multiple defendants located within the transferee venue of trial. Thus, the sources of proof factor also weighs significantly in favor of transfer.

The local interest factor also strongly favors transfer. While the sale of an accused product offered nationwide does not give rise to a substantial interest in any single venue, if there are significant connections between a particular venue and the events that gave rise to a suit, this factor should be weighed in that venue's favor. *Hoffmann*, 587 F.3d at 1338. Here, unlike the Eastern District of Texas, the

Northern District of California has a localized interest in this matter. The company asserting harm and many of the companies alleged to cause that harm are all residents of that district, as are the inventor and patent prosecuting attorneys whose work may be questioned at trial.

In sum, the convenience of the parties and witnesses, the sources of proof, the local interest, and the compulsory process factors all significantly favor transfer. Meanwhile, no factor remotely favors keeping this case in the Eastern District of Texas. Although Dell may be a likely source of evidence at trial and is closer to the Eastern District of Texas, the district court's conclusion that Dell's presence in Texas was enough to preclude transfer here is in our view a clear abuse of discretion. We therefore grant the petition.

Accordingly,

IT IS ORDERED THAT:

The petition for a writ of mandamus is granted. The District Court for the Eastern District of Texas is directed to vacate its orders denying petitioners' motion to transfer venue, and to direct transfer to the United States District Court for the Northern District of California.

FOR THE COURT

December 3, 2010
Date

/s/ Jan Horbaly
Jan Horbaly
Clerk

cc: Joshua M. Masur, Esq.
Elaine Y. Chow, Esq.
Mark C. Scarsi, Esq.
Scott F. Partridge, Esq.

George F. Pappas, Esq.
M. Craig Tyler, Esq.
Roderick M. Thompson, Esq.
Lewis V. Popovski, Esq.
Byron W. Cooper, Esq.
Clerk, United States District Court
For The Eastern District Of Texas

APPENDIX B

NOTE: This order is nonprecedential.

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

[Filed Jan 13 2011]

IN RE ACER AMERICA CORPORATION, CYBERLINK.COM CORPORATION, GATEWAY, INC., APPLE, INC., ASUS COMPUTER INTERNATIONAL, DELL INC.; MICROSOFT CORPORATION, NERO AG, NERO, INC., SONIC SOLUTIONS, SONY CORPORATION, AND SONY ELECTRONICS, INC.,
Petitioners.

Miscellaneous Docket No. 942

On Petition for Writ of Mandamus to the United States District Court for the Eastern District of Texas in consolidated case nos. 08-CV-0369 and 07-CV-0376, Magistrate Judge Charles Everingham IV.

Before GAJARSA, SCHALL, and MOORE, *Circuit Judges*.
PER CURIAM.

ORDER

Upon consideration of Acer America Corporation et al.'s motion to amend the court's December 3, 2010 order,

IT IS ORDERED THAT:

IN RE ACER AMERICA

The motion is granted. An errata accompanies this order.

FOR THE COURT

JAN 13 2011
Date

/s/ Jan Horbaly
Jan Horbaly
Clerk

cc: Joshua M. Masur, Esq.
Elaine Y. Chow, Esq.
Mark C. Scarsi, Esq.
Scott F. Partridge, Esq.
George F. Pappas, Esq.
M. Craig Tyler, Esq.
Roderick M. Thompson, Esq.
Lewis V. Popovski, Esq.
Byron W. Cooper, Esq.
Clerk, United States District Court for the Eastern District Of Texas

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

January 13, 2011
ERRATA

Appeal No. 2010-M942

IN RE ACER AMERICA CORPORATION, CYBERLINK.COM CORPORATION, GATEWAY, INC., APPLE, INC., ASUS COMPUTER INTERNATIONAL, DELL INC.; MICROSOFT CORPORATION, NERO AG, NERO, INC., SONIC SOLUTIONS, SONY CORPORATION, AND SONY ELECTRONICS, INC.,
Petitioners.

Decided: December 3, 2010
Precedential Order

Please make the following change:

Page 4, line 17, change "except for Dell" to—except for Dell and Microsoft—

APPENDIX C

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION

CIVIL ACTION NO. 2:07CV376

MEDIOSTREAM, INC.

vs.

ACER AMERICA CORP., ET AL.

MEMORANDUM OPINION AND ORDER

1. Introduction

In this patent infringement case, the plaintiff, MedioStream, Inc. ("MediStream"), seeks damages for infringement of United States Patent No. 7,009,655 B2 ("the '655 patent") and U.S. Patent No. 7,283,172 ("the '172 patent"). The defendants are Acer America Corporation ("Acer"), Apple Computer, Inc. ("Apple"), Dell, Inc. ("Dell"), Gateway, Inc. ("Gateway"), ASUS Computer International, Inc. ("ASUS"), CyberLink, Inc. ("CyberLink"), Sony Electronics, Inc. ("Sony"), Nero, Inc. ("Nero") and Sonic Solutions ("Sonic"). Acer, Apple, ASUS, Gateway, and Cyberlink have filed a motion to transfer venue (#63). For the following reasons, the motion is denied.

2. Discussion

A. Factual Background and Procedural Posture

The plaintiff, MedioStream, is a California corporation with its principal place of business in Los Altos, California. The named inventor on both patents-in-suit

is Qiang Huang. Mr. Huang resides in San Francisco, California. Acer is a California corporation with its principal place of business in San Jose, California. Apple is a Delaware corporation with its principal place of business in Cupertino, California. ASUS is a California corporation with its principal place of business in Fremont, California. Dell is a Delaware corporation with its principal place of business in Round Rock, Texas. Gateway is a Delaware corporation with its principal place of business in Irvine, California. Sony is a Delaware corporation with its principal place of business in San Diego, California. CyberLink is a California corporation with its principal place of business in Fremont, California. Nero is a Delaware corporation with its principal place of business in Glendale, California. Sonic is a California corporation with its principal place of business in Novato, California.

On August 28, 2007, MedioStream filed this case, alleging infringement of the '655 patent against Acer, Apple, Dell and Gateway. On September 5, 2007, MedioStream filed an Amended Complaint, adding ASUS as a defendant. On November 9, 2007, MedioStream filed a Second Amended Complaint, adding Sony, CyberLink, Nero, and Sonic Solutions. MedioStream also added claims for infringement of the '172 patent, which issued on October 16, 2007. Also in the Second Amended Complaint, MedioStream joined supplemental claims under California state law for misappropriation of trade secrets, conversion, unjust enrichment, and unfair competition against Sonic and Sony.

According to the response to the motion to transfer venue, the accused products are computer systems and software sold by the defendants. The systems

and software are sold throughout the United States, including within this district. Although all of the defendants are alleged to sell accused products throughout the United States, Dell is alleged to be the largest seller of infringing products. According to the plaintiff, Dell sells approximately twice the number of infringing systems as all of the other defendants combined.

On January 25, 2007, Acer, Apple, ASUS, Gateway and CyberLink filed a motion to transfer venue to the Northern District of California. The primary basis for the motion is that most of the parties have their principal United States operations in California and therefore the California court has a stronger connection to the case than this court. A secondary point is that the plaintiff joined certain California state law claims against certain defendants and the facts underlying those claims occurred in California. Although Dell did not join in the motion, it filed a statement of non-opposition to the motion. The motion is fully briefed and ripe for decision.

B. Discussion

The governing statute provides: "[for the convenience of parties and witnesses, in the interest of justice, a district court may transfer any civil action to any other district or division where it might have been brought." 28 U.S.C. § 1404(a). To determine whether a transfer is proper, a district court first assesses whether the case might have been brought in the proposed transferee district. *In re Volkswagen AG*, 371 F.3d 201, 203 (5th Cir. 2004). If so, then the court addresses the various private and public interest factors to determine whether a transfer is warranted. *Jacobs Chuck Manufacturing Co. v. Shandong Weida Machinery Co., Ltd.*, 2005 WL 3543151 * 1 (E.D. Tex.

2005). In this case, there is no dispute that the case might have been brought in the Northern District of California. As such, the court will address the private and public interest factors relevant to the transfer decision.

The court begins with the plaintiff's choice of forum. Here, the plaintiff selected this forum, and that selection is entitled to deference unless the convenience factors justify a transfer. *See In re Horseshoe Entertainment*, 337 F.3d 429, 434 (5th Cir. 2003)("We believe that it is clear under Fifth Circuit precedent that the plaintiff's choice of forum is clearly a factor to be considered but in and of itself it is neither conclusive nor determinative"); *Schexnider v. McDermott Int'l, Inc.*, 817 F.2d 1159, 1163 (5th Cir. 1987); *HolyAnne Corp. v. Corp. v. TFT, Inc.*, 199 F.3d 1304, 1307 n.2 (Fed. Cir. 1999)("A transfer of venue for the convenience of the parties normally requires that the court give great weight to the plaintiff's choice of forum and then weigh the convenience of both parties.").

The determination of "convenience" turns on a number of private and public interest factors, none of which is given dispositive weight. *In re Volkswagen AG*, 371 F.3d at 203. The private interest factors examine the relative ease of access to sources of proof, the availability of compulsory process to secure the attendance of witnesses, the cost of attendance for willing witnesses and all other practical problems that make trial of a case easy, expeditions and inexpensive. *Piper Aircraft Co. v. Reyno*, 454 U.S. 235, 241 n. 6 (1981). The public interest factors involve the administrative difficulties caused by court congestion, the local interest in adjudicating local disputes, the unfairness of burdening citizens in an unrelated

forum with jury duty, and the avoidance of unnecessary problems in conflict of laws. *Id.*

The plaintiff's choice of forum weighs in favor of retaining the case in this court. With respect to the private interest factors, most of the parties are centered in California. It would therefore be more convenient for the parties and their employee witnesses in California to litigate in the Northern District of California. However, as the plaintiff points out, Dell is located in Texas and is alleged to have sold twice the number of accused systems than all of the other parties combined. For its part, the plaintiff assumed any inconvenience of a trial in Marshall when it selected this forum. The plaintiff also states that it is agreeable to deposing the California witnesses in California. Finally, as this court has previously observed, most patent cases involve testimony from retained experts located across the country and/or from other parts of the world. The convenience of expert witnesses is generally accorded little weight in the transfer analysis. *Jacobs Chuck*, 2005 WL 3543151 at *3. On balance, this factor weighs in favor of a transfer. However, the court determines that the extent of inconvenience to the defendants is overstated, particularly in light of the plaintiff's willingness to depose the California witnesses in California and Dell's presence as a defendant in this case.

With respect to practical problems, such as the location of evidence, any documentary proof can be as easily transported to Marshall for trial as to the Northern District of California. Indeed, much discovery in patent cases is now exchanged electronically. *Cummins-Allison Corp. v. Glory Ltd.*, 2004 WL 1635534 at *6 (E.D. Tex. 2004). Accordingly, this factor is neutral.

The Fifth Circuit has stated that the possibility of prejudice and delay arising from transfer is relevant only in rare circumstances. *In re Horseshoe Entertainment*, 337 F.3d at 434. This factor is not implicated in this case.

Further, most of the public interest factors do not support a transfer. The defendants sell the accused systems throughout the United States, including in this district. As such, there is a local interest in adjudicating this dispute, and it is not unfair to burden the citizens of this district with jury duty. Moreover, any administrative difficulties with court congestion are negligible, and this factor is neutral. Finally, the case arises under federal patent law and there are no problems relating to conflict of laws on the patent issues. However, there are also claims brought under California law. As to those claims, it is likely that a California court would be more familiar with the law governing those issues. Nevertheless, the primary claims asserted in this case involve patent issues, and the court is not persuaded that the California claims warrant a transfer of venue.

3. Conclusion

Having considered the relevant factors under 28 U.S.C. § 1404(a), the court declines to transfer venue in this case. As such, the court denies the defendants' motion to transfer (#63).

SIGNED this 26th day of September, 2008.

CHARLES EVERINGHAM IV

CHARLES EVERINGHAM IV
UNITED STATES MAGISTRATE JUDGE

APPENDIX D

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION

Civil Action No. 2:07-CV-376 (CE)

MEDIOSTREAM, INC.,
Plaintiff,

v.

ACER AMERICA CORP.; APPLE INC.; ASUS COMPUTER INTERNATIONAL, INC.; CYBERLINK INC.; DELL INC.; GATEWAY, INC.; NERO INC.; NERO AG; SONIC SOLUTIONS; SONY ELECTRONICS INC.; SONY CORP.; SONY COMPUTER ENTERTAINMENT INC.; AND SONY COMPUTER ENTERTAINMENT AMERICA INC.,
Defendants

ORDER GRANTING UNOPPOSED MOTION TO WITHDRAW DEFENDANT SONIC SOLUTIONS' MOTION TO ABATE CASE PENDING ARBITRATION (OR, IN THE ALTERNATIVE, TO TRANSFER VENUE), DKT. NO. 117

JURY TRIAL

Dkt. No. 117, defendant Sonic Solutions' Motion to Abate Case Pending Arbitration (Or, In The Alternative, To Transfer Venue) is hereby withdrawn.

SIGNED this 4th day of March, 2009.

/s/ CHARLES EVERINGHAM IV
CHARLES EVERINGHAM IV
UNITED STATES MAGISTRATE JUDGE

APPENDIX E

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION

Civil Action No. 2:08CV369

MEDIOSTREAM, INC.

vs.

MICROSOFT CORPORATION

MEMORANDUM OPINION AND ORDER

In these consolidated cases, the defendants in Case No. 2:07CV376 have filed a motion for leave to file a surreply in support of certain defendants' motion for reconsideration (#232); the defendants in Case No. 2:07CV376 have also filed a motion for reconsideration (#206) of the court's order denying the motion to transfer venue; and, in Case No. 2:08CV369, Microsoft Corporation ("Microsoft") has filed a motion to transfer venue (#15).

The court grants the motion for leave to file a surreply (#232) in Case No. 2:07CV376. The court denies both the motion to reconsider (#206) in Case No. 2:07CV376 and the motion to transfer (#15) in Case No. 2:08CV369.

1. Factual Background and Procedural Posture

The plaintiff, MedioStream, Inc. ("MedioStream"), is a California corporation with its principal place of business in Los Altos, California. MedioStream seeks

damages for infringement of United States Patent Nos. 7,009,655 B2 ("the '655 patent") and 7,283,172 ("the '172 patent"). The named inventor on both patents-in-suit is Qiang Huang. Mr. Huang resides in San Francisco, California.

In Case No. 2:07CV376, the defendants include Acer America Corporation ("Acer"), Apple Computer, Inc. ("Apple"), ASUS Computer International, Inc. ("ASUS"), Dell, Inc. ("Dell"), Gateway, Inc. ("Gateway"), Sony Electronics Inc. ("SEL"), CyberLink.com Corporation ("CyberLink"), Nero, Inc. ("Nero"), Nero AG, Sonic Solutions ("Sonic"), and Sony Corporation.

Acer is a California corporation with its principal place of business in San Jose, California. Apple is a Delaware corporation with its principal place of business in Cupertino, California. ASUS is a California corporation with its principal place of business in Fremont, California. Dell is a Delaware corporation with its principal place of business in Round Rock, Texas. Gateway is a Delaware corporation with its principal place of business in Irvine, California. SEL is a Delaware corporation with its principal place of business in San Diego, California. CyberLink is a California corporation with its principal place of business in North America in Fremont, California. Nero is a Delaware corporation with its principal place of business in Glendale, California. Nero AG is a German corporation with its principal place of business in Karlsbad, Germany. Sonic is a California corporation with its principal place of business in Novato, California. Sony Corporation is a Japanese corporation with its principal place of business in Tokyo, Japan.

Of these defendants, Acer, Apple, ASUS, Dell, Gateway, SEL, and Sony Corporation manufacture computer and electronics products that are alleged to infringe various claims of the patents-in-suit. By far, Dell has the largest number of systems accused in this case. The other defendants, CyberLink, Nero, Nero AG, and Sonic, develop software alleged to infringe the patents-in-suit. The infringement contentions against Acer, ASUS, Dell, Gateway, SEL, and Sony Corporation are based on the incorporation of the software products into the computer and electronics products sold by these manufacturers.

With respect to the software defendants, Nero AG appears to be the entity that produces Nero's software. The development of this software, therefore, likely occurs in Karlsbad, Germany. Defendant CyberLink has indicated that its software is created in Taiwan. Its witnesses are identified as being located in Taiwan. The plaintiff also contends that Sonic opened an office in China after MedioStream did. The plaintiff maintains that Sonic began hiring away MedioStream's employees and "almost certainly" develops its software products in China.

In Case No. 2:07CV376, the defendants filed a motion to transfer venue to the Northern District of California. The court issued an order on September 26, 2008 denying the motion. On October 10, 2008, the Fifth Circuit decided *In re Volkswagen of America, Inc.*, 545 F.3d 304 (5th Cir. 2008) (en banc). On December 5, 2008, the defendants filed a motion to reconsider the order denying the motion to transfer (#206).

Meanwhile, on September 30, 2008, MedioStream filed a separate lawsuit against Microsoft Corporation, asserting infringement of the same two patents

as in Case No. 2:07CV376. The Microsoft action was designated Case No. 2:08CV369 and was assigned to Chief Judge David Folsom. Microsoft moved to transfer venue to the Northern District of California (#15), asserting that the Northern District of California was the center of gravity for the litigation and that its own witnesses in Washington would be closer to the Northern District of California. The parties then consented to trial before the undersigned, and the case was accordingly reassigned. On February 24, 2009, the parties filed a joint motion to consolidate Case No. 2:07CV376 with Case No. 2:08CV369. The court granted the motion on February 26, 2009 and designated Case No. 2:08CV369 as the lead case.

During the pendency of the motion to reconsider and Microsoft's motion to transfer venue, the Federal Circuit decided *In re TS Tech USA Corp.*, 551 F.3d 1315 (Fed. Cir. 2008), and, more recently, *In re Genentech, Inc.*, 566 F.3d 1338 (Fed. Cir. 2009) and *In re Volkswagen of America, Inc.*, 566 F.3d 1349 (Fed. Cir. 2009). The court has considered all of these decisions in the course of evaluating the motion to reconsider and the motion to transfer.

2. Discussion

A. Governing Law

Section 1404(a) provides: "For the convenience of parties and witnesses, in the interest of justice, a district court may transfer any civil action to any other district or division where it might have been brought." 28 U.S.C. § 1404(a). A district court has broad discretion in deciding whether to transfer venue pursuant to this statute. *In re Volkswagen of Am., Inc.*, 545 F.3d 304, 311 (5th Cir. 2008) (en banc). The defendant has the burden to show "good cause"

that transfer is appropriate. *Id.* at 315 ("[I]n order to support its claim for a transfer, [defendant] must satisfy the statutory requirements and clearly demonstrate that a transfer is for the convenience of the parties and witnesses, in the interest of justice."). The party moving for a transfer of venue must show that the proposed transferee venue is "clearly more convenient." *Id.*

The first issue the court must consider is whether the proposed transferee venue is a court in which the action might have been brought. *Id.* at 312. If it is, then the court must consider and balance the convenience of the parties in both venues. *Id.* at 314-15. The balancing involves the consideration of several private and public interest factors, none of which is dispositive. *Id.* A plaintiff's choice of venue is "highly esteemed." *Time, Inc. v. Manning*, 366 F.2d 690, 698 (5th Cir. 1966). In a § 1404(a) analysis, however, the plaintiff's choice of venue is not a separate factor to consider. *In re Volkswagen of Am.*, 545 F.3d at 314-15. And, although the private and public interest factors usually guide the court's decision on transfer motions, those factors are not necessarily "exhaustive or exclusive." *Id.* at 315.

In this case, the proposed transferee court is a venue in which the case might have been brought. Therefore, the court will evaluate the motion to reconsider and the motion to transfer by considering the private and public interest factors.

B. Private Interest Factors

The private interest factors to be weighed by the court include (1) the relative ease of access to sources of proof; (2) the availability of compulsory process to secure the attendance of witnesses; (3) the cost of

attendance for willing witnesses; and (4) all other practical problems that make trial of a case easy, expeditious, and inexpensive. *In re TS Tech USA Corp.*, 551 F.3d 1315, 1319 (Fed. Cir. 2008); *In re Volkswagen AG*, 371 F.3d 201, 203 (5th Cir. 2004) ("*Volkswagen I*") (citing *Piper Aircraft Co. v. Reyno*, 454 U.S. 235, 241 n.6 (1981)).

1. Relative Ease of Access to Sources of Proof

The first factor focuses on the locations of sources of proof. "That access to some sources of proof presents a lesser inconvenience now than it might have absent recent developments does not render this factor superfluous." *In re Volkswagen*, 545 F.3d at 316. As Chief Judge Folsom has noted, "[t]his factor almost invariably turns on which party will most likely have the greater volume of relevant documents and their presumed physical location in relation to the venues under consideration." *LML Patent Corp. v. JP Morgan Chase & Co.*, No. 2:08-CV-448 (Dkt. #238) (E.D. Tex. Aug. 3, 2009) (citing *Volkswagen*, 545 F.3d at 314-15; *TS Tech*, 551 F.3d at 1320-21).

Because some of the parties are headquartered in the Northern District of California, some of the documentary evidence is likely located there. The locations of other sources of proof include Round Rock, Texas (Dell's headquarters), Germany (Nero AG), and Japan (Sony entities). Defendant CyberLink has stated that its software is created in Taiwan. Microsoft's evidence is likely located in Washington. A transfer of venue to the Northern District of California would make it easier for the defendants headquartered in or near that district to bring their evidence to trial. However, because Dell's evidence is located much closer to this venue, and other evidence is scattered around the world, this factor is neutral.

In particular, the majority of the accused hardware products are Dell systems. Although Dell contends that the infringement claims against it are derived from software sold to Dell by third parties, it is still likely that a substantial number of Dell's documents will be material to this case. The proximity of Dell's evidence distinguishes the present case from *In re Genentech*, where the court held that, because two of the three parties were headquartered in or had facilities in California, a transfer "would reduce significantly any transportation of documents relating to the accused products." *In re Genentech*, 566 F.3d at 1348. Given the number of accused Dell systems, a transfer would increase the cost of transporting these documents to trial.

2. Compulsory Process of Witnesses

This factor is concerned with the court's ability to compel non-party witnesses to attend trial. It will generally tip in favor of a transfer when more non-party witnesses reside within the proposed venue than in the plaintiff's chosen venue. *In re Volkswagen of Am.*, 545 F.3d at 316. This factor weighs most strongly in favor of a transfer of venue when the proposed transferee forum has absolute subpoena power over all of the third-party witnesses. *See id.* at 316-17.

The court's task is complicated in this case because the parties have not identified where the vast majority of the witnesses are located. Attached as Exhibits B-J of MedioStream's Surreply in Opposition to the Motion for Reconsideration are the parties' initial disclosures. The court has carefully reviewed these disclosures, but they are largely lacking in specificity as to where the majority of the witnesses reside. To be sure, there are several non-party witnesses located

within the subpoena power of the Northern District of California. These include the prosecuting attorneys and certain former employees of the plaintiff. Also, Acer urges that it is accused of infringement because it incorporates software made by non-party NewTech Information Systems, Inc. ("NewTech"), and NewTech is located within the subpoena power of the Northern District of California. In contrast, neither party has identified a non-party witness in this district. It appears, however, that neither this court nor the Northern District of California have "absolute subpoena power" over all of the nonparty witnesses. The Northern District of California's subpoena power has significance, though, and ultimately the court decides that this factor weighs in favor of a transfer. The court declines to give this factor dispositive weight, however, given the lack of information contained in the parties' disclosures.

3. The Cost of Attendance for Willing Witnesses

This factor is neutral. The prosecuting attorneys and those party witnesses who reside in California will have less distance to travel to trial if the case is transferred to the Northern District of California. Likewise, Microsoft's witnesses located in the Redmond, Washington area would also have to travel a much shorter distance to a trial in the transferee forum. Nevertheless, many other party witnesses reside either in Texas or in Taiwan, Germany, or the People's Republic of China. Although Dell's initial disclosures identified only a single party witness, the plaintiff has accused numerous Dell systems of infringement in this case. The record suggests that the vast majority of discovery from the hardware defendants will involve Dell. Although the defendants downplay these allegations, the court must

consider the claims against Dell in the transfer calculus. *See In re Volkswagen AG*, 371 F.3d at 204 ("Given the broad generic applicability of the term 'parties' and the term 'witnesses,' such terms contemplate consideration of the parties and witnesses in all claims and controversies properly joined in a proceeding.") (emphasis added). It is therefore likely that a number of Dell witnesses will be involved in answering these claims. The Dell witnesses are much closer to this court than to the proposed transferee court. The developers of the accused software in Case No. 2:07CV376 reside overseas in Germany, Taiwan, and possibly China. They will have to travel a long distance no matter where the case is tried. *See In re Genentech*, 566 F.3d at 1344. On balance, the court finds that this factor is neutral.

4. Other Practical Problems

Neither side addresses this factor in detail, and the court determines that it is neutral.

C. Public Interest Factors

The public interest factors include (1) the administrative difficulties flowing from court congestion, (2) the local interest in having localized controversies decided at home, (3) the familiarity of the forum with the law that will govern the case, and (4) the avoidance of unnecessary problems of conflict of laws or in the application of foreign law. *In re Volkswagen*, 545 F.3 d at 315.

1. Administrative Difficulties Flowing From Court Congestion

The court is persuaded that both this court and the Northern District of California can efficiently handle this matter. As such, the factor is neutral.

2. The Local Interest in Having Localized Controversies Decided at Home

The accused products are sold nationwide. The fact that they are sold into Texas or into this district does not give this court more of a local interest in deciding this case than any other district court. *In re Volkswagen*, 545 F.3d at 318; *In re TS Tech*, 551 F.3d at 1321. Many of the parties to this case have their principal offices in the Northern District of California. Microsoft's headquarters are in Washington. However, Dell is headquartered in Texas, and some others, including Nero AG and Sony Corporation are headquartered overseas. Because the plaintiff and several defendants are headquartered in the Northern District of California, however, that court has a stronger local interest in the resolution of this case than this court does. This factor therefore weighs in favor of a transfer.

3. The Court's Familiarity with the Governing Law

This factor is neutral. Contrary to the defendants' arguments, the presence or absence of a claim under California state law directly impacts this issue. Although the plaintiff previously asserted a California state law claim against three of the defendants in Case No. 2:07CV376, it has dropped those allegations. This factor is therefore neutral.

4. The Avoidance of Unnecessary Problems of Conflict of Laws

This factor is neutral, as no party has identified any problems involving conflict of laws.

3. Conclusion

The court has balanced the private and public interest factors. Most of the factors are neutral. The availability of compulsory process tips in favor of a transfer. The local interest in resolving the dispute also weighs in favor of a transfer. The presence of substantial infringement allegations against Dell, however, weighs against many of the factors that would otherwise strongly favor a transfer to the Northern District of California. On balance, the defendants have not demonstrated that the proposed transferee court is "clearly more convenient" for the trial of this case. The motion to reconsider the motion to transfer venue is denied in Case No. 2:07CV376. Microsoft's motion to transfer venue in Case No. 2:08CV369 is also denied.

Signed this 30th day of September, 2009

/s/ Charles Everingham IV
Charles Everingham IV
UNITED STATES MAGISTRATE JUDGE

APPENDIX F

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION

[Filed 06/16/10]

CASE NO. 2:08-CV-369-CE

MEDIOSTREAM, INC.

vs.

MICROSOFT CORPORATION

ORDER

Pending before the court is the defendants Acer America Corporation's, ASUS Computer International, Inc.'s, CyberLink.com Corporation's, Dell, Inc.'s, Gateway, Inc.'s, Microsoft Corporation's, Nero AG's, Nero, Inc.'s, Sonic Solutions's, Sony Corporation's, and Sony Electronics Inc.'s motion for reconsideration (Dkt. No. 153) of the order denying venue transfer. Counting the motion under consideration, the defendants have filed four motions seeking transfer of venue, including two motions for reconsideration. (Dkt. Nos. 15 & 153); 2:07-cv-376 (Dkt. Nos. 63 & 206). All three of the prior motions were denied. (Dkt. No. 127); 2:07-cv-376 (Dkt. No. 152).

In their motion for reconsideration, the defendants cite two recent decisions, *In re Nintendo Co.*, 589 F.3d 1194 (Fed. Cir. 2009) and *In re Hoffmann-La Roche Inc.*, 587 F. 3d 1333 (Fed. Cir. 2009), in which the Federal Circuit ordered the district court to grant

venue transfer. The court is not persuaded that the holdings of *In re Nintendo* and *In re Hoffmann-La Roche* warrant reconsideration of the orders denying venue transfer in this case. Therefore, the defendants' motion to reconsider is DENIED.

SIGNED this 16th day of June, 2010.

CHARLES EVERINGHAM IV
CHARLES EVERINGHAM IV
UNITED STATES MAGISTRATE JUDGE